



Committed to the future of rural communities.

Rural Economic Development Loan (REDL) Program

PURPOSE

- To promote rural economic development and job creation projects

APPLICANT ELIGIBILITY

- RUS (Rural Utility Service) Electric and Telephone utility borrowers only
- Financially sound organization
- Current on all Federal debts

USE OF LOAN FUNDS

- Business expansions and start-ups
- Community development projects
- Business incubator projects
- Project feasibility studies
- Advanced telecommunications and computer networks for medical and educational services
- Community antenna television systems or facilities (with restrictions)

MAXIMUM AND MINIMUM LOAN AMOUNTS

- Maximum \$450,000
- Minimum \$10,000

LOAN TERMS AND REPAYMENT

- Zero-interest loan provided to the RUS Borrower on a pass-through basis to the ultimate recipient (project owner)
- Maximum 10 year repayment period
- Payments may be deferred up to two years
- Repayment by the ultimate recipient may not be more restrictive than the repayment schedule of the RUS Borrower
- Minimum 20% supplemental financing required of ultimate recipient

APPLICATION PROCESS

- Applications are submitted to the USDA - Rural Development State Office for review and rating
- Applications are forwarded to the USDA - Rural Development National Office for selection on a national competitive basis
- Applications are selected quarterly

SELECTION FACTORS

- Nature of the project
- Job creation projections
- Long-term improvements in economic development
- Diversifying the rural economy or alleviating underemployment
- Supplemental funds
- Economic conditions and job creation
- Unemployment rates
- Per capita personal income
- Change in population
- Number of long-term jobs
- Community-based economic development program
- Plan for improving the marketable skills of people in rural areas
- Location (rural)
- Support for program - cushion of credit payments
- Demonstration project
- Probability of success
- Ownership and management of the project
- Ultimate recipient's business plan
- Completeness of application

FOR MORE INFORMATION

Contact the USDA - Rural Development State Office in Des Moines at 515-284-4714 or one of our USDA - Rural Development Area Offices shown below. TDD for hearing impaired (515) 284-4858.

▪ Iowa Falls	641-648-5181	▪ Indianola	515-961-5365
▪ Waverly	319-352-1715	▪ Atlantic	712-243-2107
▪ Tipton	563-886-6006	▪ Le Mars	712-546-5149
▪ Mount Pleasant	319-986-5800	▪ Storm Lake	712-732-1851
▪ Albia	641-932-3031	▪ Humboldt	515-332-4411

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